

7 December 2021

Accentro Real Estate AG

Rating Buy
Share price (EUR) 6.70
Target price (EUR) 12.55

Bloomberg A4Y GY
Sector Real Estate

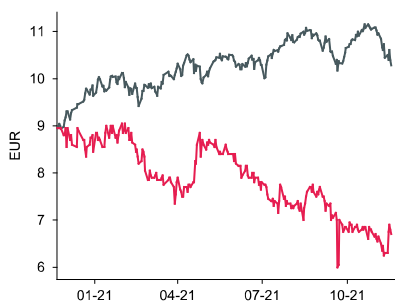
Share data

Shares out (m) 32.4
Daily volume shs (m) 0.0
Free float (%) 12.00
Market cap (EUR m) 219
EV (EUR m) 802
DPS (EUR) 0.00
Dividend yield (%) 0.0
Payout ratio (%) 0.0

Performance

ytd (%) -24.7
12 months (%) -24.7
12 months rel. (%) -40.1
Index SDAX

Share price performance



— Accentro Real Estate AG
— Price rel. to SDAX - Price Index

Source: Bloomberg

Next triggers

28 April 2022 – Annual report

Analysts

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Further growth of privatisation portfolio

Accentro announced that it has successfully acquired 73 already lawfully partitioned residential units in Berlin. The assets were acquired from an institutional investor. The selling price was not disclosed. The transaction is positive news as Accentro further increases its privatisation portfolio which will positively impact revenues from sale of inventory properties in case of the successful sale and will also contribute to rental income until the assets were sold. Assuming a purchase price of around EUR 20m we expect a sales price of around EUR 25m if we assume a margin of 25%. We forecast rental income of the acquired units in the range of between EUR 0.4m and EUR 0.5m p.a. until the units were sold. Overall, the acquisition is in line with Accentro's strategy as it targets to further expand the privatisation as well as the property portfolio. Note that Accentro has a very well filled sales pipeline of more than EUR 400m ensuring growth in upcoming years. We confirm our Buy rating with a TP of EUR 12.55.

Acquisition of 73 units in Berlin

Accentro acquired 73 already lawfully partitioned units in Berlin with a lettable space of c. 5,900 sqm. The acquired assets are located in districts of Charlottenburg, Wedding and Friedrichshain. The assets were acquired from an institutional investor. The selling price was not disclosed. Note that Accentro recently announced that it has successfully signed a transaction of around EUR 100m with a private investor which included the purchase and sale of several residential real estate portfolios comprising of around 730 units. Around 470 units with a lettable space of ca 27,000 sqm in eastern Germany were acquired for its property portfolio. Accentro has expanded its property portfolio to c. 3,600 units during the last 12 months.

On track to reach FY 2021 targets

Having reached revenues of EUR 125.4m and EBIT of EUR 31.0m as of 9m 2021 we are confident that Accentro will reach its FY 2021 targets of revenues: EUR 170m-200m (qbe: EUR 198m) and EBIT in the range of between EUR 45m and EUR 50m (qbe: EUR 48.6m). Main drivers in Q4 2021 should be valuation gains, positive contributions from the privatization business as well as from rental revenues.

Key figures		2019	2020	2021e	2022e	2023e
Sales	EUR m	143	125	198	226	245
EBITDA	EUR m	41	36	50	55	60
EBIT	EUR m	40	35	49	54	59
EPS	EUR	0.82	0.51	0.56	0.68	0.77
Sales growth	%	n.a.	-12.6	58.2	13.9	8.8
EBIT growth	%	n.a.	-12.7	39.9	11.6	8.2
EPS growth	%	n.a.	-37.4	10.2	20.5	13.6
EBITDA margin	%	28.3	28.5	25.0	24.5	24.3
EBIT margin	%	27.8	27.8	24.6	24.1	23.9
Net margin	%	18.5	13.2	9.2	9.7	10.2
EV/Sales	ratio	3.77	6.37	4.05	3.58	2.42
EV/EBITDA	ratio	13.3	22.4	16.2	14.6	9.9
EV/EBIT	ratio	13.6	22.9	16.5	14.9	10.1
P/E	ratio	8.3	13.2	12.0	10.0	8.8
P/BV	ratio	1.0	0.9	0.9	0.8	0.7
Dividend yield	%	0.0	0.0	0.0	0.0	0.0

Source: Bloomberg, Company data, Quirin Privatbank estimates

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Profit & loss statement

Profit & loss statement (EUR m)	2019	YOY	2020	YOY	2021e	YOY	2022e	YOY	2023e	YOY
Sales	143.3	n.a.	125.2	-12.6 %	198.0	58.2 %	225.6	13.9 %	245.5	8.8 %
Unfinished Goods	0.0		0.0		0.0		0.0		0.0	
Other own work capitalized	0.0		0.0		0.0		0.0		0.0	
Other operating earnings	1.2		1.7		1.6		1.6		1.6	
Cost of goods	n.a.		n.a.		n.a.		n.a.		n.a.	
Gross profit	144.5		126.9		199.6		227.2		247.1	
Personnel expenses	-5.8		-9.0		-10.0		-10.3		-10.5	
Depreciation	n.a.		n.a.		n.a.		n.a.		n.a.	
Other operating expenses	-6.1		-10.7		-12.0		-12.0		-12.0	
EBITDA	40.5	n.a.	35.6	-12.1 %	49.5	39.0 %	55.2	11.4 %	59.6	8.0 %
EBITDA margin (%)	28.29		28.46		25.02		24.46		24.29	
EBIT	39.8	n.a.	34.8	-12.7 %	48.6	39.9 %	54.3	11.6 %	58.7	8.2 %
EBIT margin (%)	27.78		27.77		24.56		24.06		23.92	
Net interest	-7.4		-10.5		-22.0		-22.6		-23.0	
Income from Participations	n.a.		n.a.		n.a.		n.a.		n.a.	
Net financial result	n.a.		n.a.		n.a.		n.a.		n.a.	
Exceptional items	0.0		0.0		0.0		0.0		0.0	
Pretax profit	32.5	n.a.	24.3	-25.2 %	26.7	9.7 %	31.7	18.9 %	35.8	12.7 %
Pretax margin (%)	22.68		19.42		13.47		14.06		14.56	
Taxes	-6.2		-6.3		-6.9		-8.2		-9.3	
Tax rate (%)	19.05		25.74		26.00		26.00		26.00	
Earnings after taxes	26.3		18.1		19.7		23.5		26.5	
Minorities	-0.2		1.5		1.5		1.5		1.5	
Group attributable income	26.5	n.a.	16.6	-37.4 %	18.3	10.2 %	22.0	20.5 %	25.0	13.6 %
No. of shares (m)	32.4		32.4		32.4		32.4		32.4	
Earnings per share (EUR)	0.82	n.a.	0.51	-37.4 %	0.56	10.2 %	0.68	20.5 %	0.77	13.6 %

Source: Company data, Quirin Privatbank estimates

Balance sheet

Balance sheet (EUR m)	2019	YOY	2020	YOY	2021e	YOY	2022e	YOY	2023e	YOY
Assets										
Cash and cash equivalents	24.2		56.5		77.1		70.1		65.0	
Accounts receivables	10.6		51.8		26.8		21.8		19.8	
Inventories	416.6		409.5		418.6		427.7		436.8	
Other current assets	26.1		31.1		65.1		65.1		65.1	
Tax claims	0.9		1.7		1.7		1.7		1.7	
Total current assets	478.3	n.a.	550.6	15.1 %	589.3	7.0 %	586.4	-0.5 %	588.4	0.3 %
Fixed assets	0.9		1.8		2.6		2.6		2.6	
Goodwill	17.8		17.8		17.8		17.8		17.8	
Other intangible assets	0.0		0.0		0.0		0.0		0.0	
Financial assets	34.5		215.0		305.0		330.0		353.0	
Deferred taxes	1.3		1.1		1.1		1.1		1.1	
Other fixed assets	48.1		75.6		71.6		71.8		71.9	
Total fixed assets	102.5	n.a.	311.3	203.7 %	398.2	27.9 %	423.3	6.3 %	446.4	5.5 %
Total assets	580.8	n.a.	862.0	48.4 %	987.5	14.6 %	1,009.7	2.3 %	1,034.9	2.5 %
Equity & Liabilities										
Subscribed capital	32.4		32.4		32.4		32.4		32.4	
Reserves & other	78.7		79.7		79.7		79.7		79.7	
Revenue reserves	0.0		0.0		0.0		0.0		0.0	
Accumulated other comprehensive	107.6		124.1		142.3		164.3		189.3	
Shareholder's equity	218.7	n.a.	236.2	8.0 %	254.4	7.7 %	276.4	8.6 %	301.4	9.0 %
Minorities	2.1		10.9		12.4		13.9		15.4	
Shareholder's equity incl. minorities	220.8	n.a.	247.1	11.9 %	266.8	8.0 %	290.3	8.8 %	316.8	9.1 %
Long-term liabilities										
Pension provisions	0.0		0.0		0.0		0.0		0.0	
Financial liabilities	213.7		393.3		488.3		487.6		486.9	
Tax liabilities	2.2		9.1		9.1		9.1		9.1	
Other liabilities	0.0		0.0		0.0		0.0		0.0	
Total long-term debt	215.9	n.a.	402.4	86.4 %	497.4	23.6 %	496.7	-0.1 %	496.0	-0.1 %
Short-term debt										
Other provisions	0.9		1.9		1.9		2.0		2.0	
Trade payables	6.2		7.1		7.1		7.1		7.1	
Financial debt	103.9		172.2		172.2		171.6		171.0	
Other liabilities	33.0		31.2		42.0		42.0		42.0	
Total short-term debt	144.0	n.a.	212.4	47.5 %	223.3	5.1 %	222.7	-0.2 %	222.1	-0.3 %
Total equity & liabilities	580.8	n.a.	862.0	48.4 %	987.5	14.6 %	1,009.7	2.3 %	1,034.9	2.5 %

Source: Company data, Quirin Privatbank estimates

Financial key ratios

Key ratios	2019	2020	2021e	2022e	2023e
Per share data (EUR)					
EPS	0.82	0.51	0.56	0.68	0.77
Book value per share	6.7	7.3	7.8	8.5	9.3
Free cash flow per share	-2.4	-3.2	-2.3	-0.2	-0.1
Dividend per share	0.00	0.00	0.00	0.00	0.00
Valuation ratios					
EV/Sales	3.77	6.37	4.05	3.58	2.42
EV/EBITDA	13.3	22.4	16.2	14.6	9.9
EV/EBIT	13.6	22.9	16.5	14.9	10.1
P/E	8.3	13.2	12.0	10.0	8.8
P/B	1.0	0.9	0.9	0.8	0.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Growth					
Sales growth (%)	n.a.	-12.6	58.2	13.9	8.8
EBITDA growth (%)	n.a.	-12.1	39.0	11.4	8.0
EBIT growth (%)	n.a.	-12.7	39.9	11.6	8.2
EPS growth (%)	n.a.	-37.4	10.2	20.5	13.6
Profitability ratios					
EBITDA margin (%)	28.3	28.5	25.0	24.5	24.3
EBIT margin (%)	27.8	27.8	24.6	24.1	23.9
Net margin (%)	18.5	13.2	9.2	9.7	10.2
ROCE (%)	9.1	5.4	6.4	6.9	7.2
Financial ratios					
Total equity (EUR m)	218.7	236.2	254.4	276.4	301.4
Equity ratio (%)	37.7	27.4	25.8	27.4	29.1
Net financial debt (EUR m)	293.5	509.0	583.4	589.1	592.9
Net debt/Equity	0.4	0.3	0.3	0.3	0.3
Interest cover	3.3	1.6	1.9	2.1	2.3
Net debt/EBITDA	7.2	14.3	11.8	10.7	9.9
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Working Capital (EUR m)	414.0	445.0	418.2	422.3	429.4
Working capital/Sales	2.89	3.55	2.11	1.87	1.75

Source: Company data, Quirin Privatbank estimates

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Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
07.12.2021	12.55	Buy	
01.12.2021	12.55	Buy	
19.11.2021	12.55	Buy	
13.10.2021	12.55	Buy	09.05.2018

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